



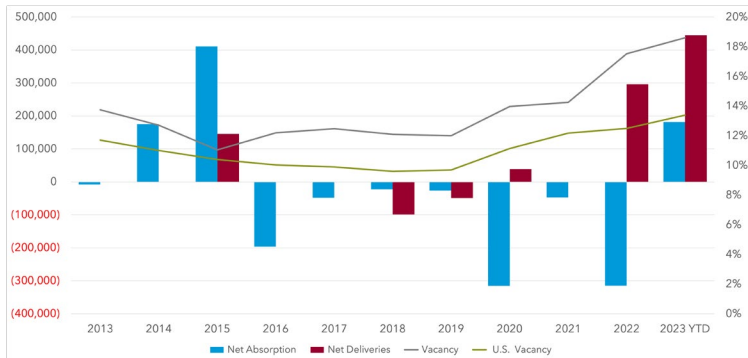
OFFICE MARKET OVERVIEW

CHRISTOPHER LARIMORE, *Founding Principal*

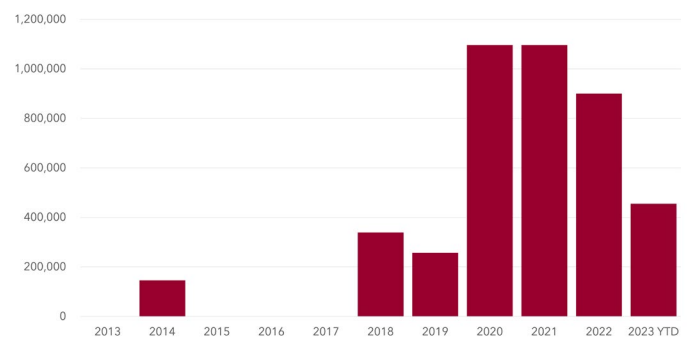
The Tri-Cities Class A office market continues to face challenging conditions with high vacancy rates at record levels of 17.9%. This is due to tenants leaving, leading to negative absorption. The asking rent has flatlined quarter-over-quarter, and it is expected to continue declining due to market weakness. The subletting shares have decreased slightly and now account for 14.4% of the available space. Additionally, new construction of almost half a million square feet has entered the market. There have been no sales for three consecutive quarters, which is well below the historical activity, providing less clarity on the impact on pricing.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▼ 12 Mo. Net Absorption SF	(48,999)	364,156	(11,304)	9,079	(138,767)
▼ Vacancy Rate	17.9%	18.2%	18.2%	18.3	16.5
▼ Avg FSG Asking Rate PSF	\$41.28	\$41.40	\$41.04	\$41.28	\$41.28
◀ ▶ SF Under Construction	455,000	455,000	900,000	900,000	800,000
◀ ▶ Inventory SF	17,818,235	17,818,235	17,373,235	17,373,235	17,373,235

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
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NONE TO REPORT

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
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625 Fair Oaks Avenue South Pasadena, CA	18,370 SF	Greenbridge Management Company	Pacific Clinics	Health Care and Social Assistance
301 N. Lake Avenue Pasadena, CA	10,848 SF	Barker Pacific Group	Undisclosed	Undisclosed
500 E. Colorado Street Glendale, CA	10,462 SF	ADE RealEstate	Undisclosed	Undisclosed

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